

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,  
Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS  
(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,  
Debtor.

PROMESA  
Title III

No. 17 BK 4780-LTS

**Court Filing Relates Only to  
PREPA and Shall Only be Filed in  
Case No. 17-BK-4780-LTS and  
Main Case 17-BK-3283-LTS**

**AMBAC ASSURANCE CORPORATION'S JOINDER TO URGENT MOTION OF  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ORDER, UNDER 11  
U.S.C. § 1103 AND BANKRUPTCY RULE 2004, AUTHORIZING DISCOVERY WITH  
RESPECT TO PREPA ENGAGEMENT OF WHITEFISH ENERGY HOLDINGS, LLC**

Ambac Assurance Corporation ("Ambac"), by and through its attorneys, Ferraiuoli LLC and Milbank, Tweed, Hadley & McCloy LLP, hereby submits this joinder (the "Joinder") to the *Urgent Motion of Official Committee of Unsecured Creditors for Order, Under 11 U.S.C. § 1103 and Bankruptcy Rule 2004, Authorizing Discovery with Respect to PREPA Engagement of*

---

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

*Whitefish Energy Holdings, LLC* [Dkt. No. 1567]<sup>2</sup> (the “Urgent Motion”). In support of its Joinder, Ambac respectfully submits as follows:

1. The Official Committee of Unsecured Creditors (the “Committee”) filed the Urgent Motion on October 30, 2017, seeking discovery from PREPA and Whitefish Energy Holdings, LLC (“Whitefish”) with respect to the bidding, negotiation, and engagement process used by PREPA to identify contractors for the repair of the Commonwealth’s utility system and with respect to PREPA’s engagement of Whitefish. Through the Urgent Motion, the Committee seeks to propound certain Document Requests<sup>3</sup> and to depose knowledgeable individuals.

2. The Urgent Motion was referred to Magistrate Judge Judith Gail Dein pursuant to 28 U.S.C. § 636(b) on October 30, 2017. *See Order of Reference to a Magistrate Judge* [Dkt. No. 1568].

3. Although Ambac does not insure bonds issued by PREPA, Ambac insures over \$2 billion in bonds issued by the Commonwealth and its instrumentalities and is a party in interest in these Title III cases under Section 1109(b) of the Bankruptcy Code (incorporated by Section 301 of PROMESA). As a substantial creditor of the Commonwealth and its instrumentalities, Ambac is extremely concerned by the circumstances surrounding the engagement of Whitefish and the processes that led to the entry into and subsequent termination of a contract between PREPA and Whitefish. Potentially billions of dollars in federal grants will be disbursed in the coming weeks and months as a result of the devastation caused by Hurricane Maria, which disbursement Ambac fully supports. Ambac’s concern stems from the consequences of misappropriation or misuse of these federal grant monies. If these grants are not used in the

---

<sup>2</sup> Unless otherwise specified, all docket index references herein shall be to Docket No. 17-bk-3283-LTS.

<sup>3</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Urgent Motion.

manner for which they are intended, the funds may become disobligated and convert to loans that must be repaid—loans with superpriority administrative expense status at Commonwealth instrumentalities that are Title III debtors. Maximum transparency into the review and engagement process for contractors that will be paid using federal grant monies is essential. With respect to PREPA and Whitefish specifically, Ambac is entitled to understand what specifically led to the engagement and subsequent termination of Whitefish in order to ensure that similar events, including with regard to instrumentalities whose bonds Ambac insures, do not occur again.

4. Ambac does not seek to propound document requests, notice depositions, or propound questions at depositions. Ambac seeks only to receive documents produced in response to the Committee's Document Requests and to attend the depositions taken by the Committee. Accordingly, Ambac does not believe that this request for limited involvement will increase the burden on either the Committee or on the parties on whom discovery is served.

WHEREFORE, Ambac respectfully requests that the Court enter an order granting the Urgent Motion and authorizing Ambac to receive documents produced in response to the Committee's Document Requests and to attend the Committee's depositions.

*[Remainder of Page Intentionally Left Blank]*

Dated: November 6, 2017  
San Juan, Puerto Rico

**FERRAIUOLI LLC**

By: /s/ Roberto Cámara-Fuertes  
Roberto Cámara-Fuertes (USDC-PR No. 219002)  
Sonia Colón (USDC-PR No. 213809)  
221 Ponce de León Avenue, 5th Floor  
San Juan, PR 00917  
Telephone: (787) 766-7000  
Facsimile: (787) 766-7001  
Email: rcamara@ferraiuoli.com  
scolon@ferraiuoli.com

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

By: /s/ Dennis F. Dunne  
Dennis F. Dunne  
Andrew M. Leblanc  
Atara Miller  
Grant R. Mainland  
(admitted *pro hac vice*)  
28 Liberty Street  
New York, NY 10005  
Telephone: (212) 530-5770  
Facsimile: (212) 822-5770  
Email: ddunne@milbank.com  
aleblanc@milbank.com  
amiller@milbank.com  
gmainland@milbank.com

***Attorneys for Ambac Assurance Corporation***

**CERTIFICATE OF SERVICE**

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/ Roberto A. Cámara-Fuertes

Roberto Cámara-Fuertes (USDC-PR No. 219002)

221 Ponce de León Avenue, 5th Floor

San Juan, PR 00917

Telephone: (787) 766-7000

Facsimile: (787) 766-7001

Email: rcamara@ferraiuoli.com